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USAID Program No. 492-0480

AMENDMENT NO. 6

TO THE

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

REPUBLIC OF THE PHILIPPINES

AND THE

UNITED STATES OF AMERICA

FOR THE

INTEGRATED FAMILY PLANNING MATERNAL

HEALTH PROGRAM

Dated: Aug. 29, 1997

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INTEGRATED FAMILY PLANNING MATERNAL HEALTH PROGRAM
AMENDMENT NO. 6 TO STRATEGIC OBJECTIVE
GRANT AGREEMENT, NO. 492-0480

THIS AMENDMENT NO. 6, entered into this 29th day of August, 1997, between the REPUBLIC OF THE PHILIPPINES (the "Grantee") and the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("U.S.A.I.D.")).

WITNESSETH THAT:

WHEREAS the Grantee and U.S.A.I.D. (hereinafter the "Parties") entered into Program Grant Agreement No. 492-0480 (the "Agreement") on August 1, 1994, whereby U.S.A.I.D. agreed to provide an initial increment of \$15,066,508 in Grant funds for the Integrated Family Planning Maternal Health Program (the "Program").

WHEREAS through previous amendments to the Agreement, the amount of Grant funds was increased to \$38,555,508, and a new system for obligation of funds by Strategic Objective was implemented.

WHEREAS U.S.A.I.D. desires to increase further the amount of Grant funds by \$6,671,000.

WHEREAS the Parties agree to extend the Completion Date by one year; and

WHEREAS the Parties further agree to update the set of Benchmarks for measuring progress towards achievement of the Program Objective and Results as of the end of 1998.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. **Section 2.2, Result 1, Indicator (7)** is hereby amended by deleting the phrase "with 25% of these funds allocated for FP/MCH/Population/Nutrition activities" and inserting in lieu thereof the phrase "with 25% of these funds expended for FP/MCH/Population/Nutrition activities". The unit to measure progress of indicator (7) is also amended by deleting the phrase "Aggregate number of LPP LGUs that are allocating" and inserting in lieu thereof the phrase "Aggregate number of LPP LGUs that are expending".

2. **Section 3.1 (a)** of the Agreement is hereby amended in its entirety to read as follows:

(a) To help achieve the results set forth herein and thereby make progress towards the Program Objective set forth in the Agreement, U.S.A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of this Agreement not to exceed forty five million two hundred twenty six thousand five hundred eight United States Dollars (US \$45,226,508) (the "Grant"). A portion of the Grant will be disbursed to the Grantee based on performance in meeting mutually agreed performance benchmarks and satisfaction of other conditions described in Section 5.1 below. The balance of the Grant will be disbursed to support activities necessary to achieve the Program Objective and Results.

3. **Section 3.1 (b)** of the Agreement is hereby amended in its entirety to read as follows:

(b) U.S.A.I.D.'s total estimated bilateral contribution to achievement of the Program Objective and Results is U.S. \$65,000,000, which will be provided in increments. (In addition, approximately U.S. \$62,000,000 is expected to be made available from USAID/Washington Global Bureau projects outside this Agreement.) Subsequent increments will be

subject to availability of funds to U.S.A.I.D. for this purpose, progress towards the Program Objective and Results, and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed.

4. **Section 3.2 (b)** of the Agreement is hereby amended in its entirety to read as follows:

(b) The Grantee's estimated contribution over the life of the Program will not be less than the Peso equivalent of \$26,000,000 in cash and/or "in kind". At least ₱82,450,000 (\$3,298,000) will be in cash expenditures to offset value-added tax (VAT), including E-Vat, charges on USAID-financed goods and services over the remaining life of the Agreement.

5. **Article 4 (a)** is hereby amended by deleting the phrase "The Completion Date, which is February 28, 2000" and inserting in lieu thereof the phrase "The Completion Date, which is February 28, 2001".

6. **Annex 1** of the Agreement is hereby amended by deleting Sections III (Funding), IV (Results to be Achieved), and VII (Monitoring, Evaluation and Audits) and substituting therefor Sections III, IV, and VII which are attached hereto.


7. **Annex 1** of the Agreement is further amended by deleting Attachment 1 (Financial Plan) and Attachment 2 (Strategic Objective Framework) thereto and substituting therefor the new version of Attachments 1 and 2 which are attached hereto.


Except as expressly amended herein, the Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

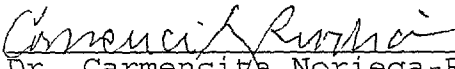
REPUBLIC OF THE PHILIPPINES

UNITED STATES OF AMERICA

By: 
Cielito F. Habito
Director-General
National Economic and
Development Authority

By: 
Kenneth G. Schofield
Mission Director
United States Agency for
International Development

WITNESSED BY:

By: 
Dr. Carmencita Noriega-Reodica
Secretary
Department of Health

ANNEX 1
INTEGRATED FAMILY PLANNING MATERNAL HEALTH PROGRAM
AMPLIFIED PROGRAM DESCRIPTION

III. FUNDING

The Financial Plan attached forms part of this Annex 1. As with any other portion of this Annex 1, it may be amended by written agreement of the authorized representatives of the Parties named in Section 8.2 without formal amendment of the Agreement, if such changes do not cause (1) USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement, or (2) the Grantee's contribution to be less than the amount specified in Section 3.2 of the Agreement.

Performance-based disbursements are planned in accordance with the following schedule, subject to satisfaction of conditions precedent to disbursement, and to the availability of funds to USAID for this purpose:

Projection of Performance-Based Disbursements by Year

US FY	FY 95	FY 96	FY 97	FY 98	FY 99	FY 2000	Total
Amount US \$000	3,195	3,375	4,945	5,770	5,955	6,000	29,240
Minimum No. of LGUs for Tranche Release	15	23	41	60	75	75	75

The balance of \$35.76 million will be used for non-performance-based disbursements through U.S.A.I.D. direct contracts, cooperative agreements, grants with non-government organizations,

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and a Participating Agency Service Agreement (PASA) with the U.S. Bureau of Census.

In addition to the funding provided pursuant to this Agreement, about \$62 million in the form of services, commodities and technical assistance is planned to be provided by USAID/Washington's Global Bureau from centrally-managed projects, subject to the availability of funds to USAID for this purpose. However, for the one-year extension period, March 2000 to February 2001, U.S.A.I.D. agrees to continue to provide two contraceptives: intrauterine devices ("IUDs") and injectables ("Depo Provera"). The continued provision of oral contraceptives and condoms during the one-year extension is subject to the availability of additional funds. The GOP is encouraged to procure these contraceptives or find alternative donor sources. If requested, U.S.A.I.D. can provide technical assistance to the Department of Health (DOH) on procurement specifications.

The GOP contribution finances DOH and LGU expenditures for activities in population and health programs supported by IFPMHP (e.g., staff salaries and training, clinic operations costs, contraceptive logistics support, drugs and supplies for service delivery, and so forth).

IV. RESULTS TO BE ACHIEVED

The performance indicators for the Program Objective and Results to be achieved by the Completion Date specified in Article 4 are stated in Section 2.2 of the Agreement. Interim

benchmarks between 1998 and 2000 shall be established in subsequent amendments to the Agreement. The results to be achieved by the end of 1998 with the Grant are described below:

A. Overall Program Objective: Reduced Population Growth Rate and Improved Maternal and Child Health. By December 1998, the following benchmarks are to be met: 1) population growth rate has decreased to 2.08; 2) total fertility rate has decreased to 3.3; 3) infant mortality rate has decreased to 50.5; 4) maternal mortality ratio has decreased to 194; 5) contraceptive prevalence rate (all methods) has increased to 47.5%; 6) contraceptive prevalence rate (modern methods) has increased to 32.7%; and, 7) percent of births in high risk groups has decreased to 58%.

B. Result 1: Increased Public Sector Provision of FP/MCH Services. By December 1998, the following benchmarks are to be met: 1) 90% of children between the ages of 12 and 23 months have been fully immunized for polio, DPT, measles and BCG; 2) 69.2% of pregnant women and mothers of children under 5 have been immunized against tetanus toxoid; 3) 90% of children between 12 and 59 months have received vitamin A capsule during the national micronutrient day; 4) modern method couple years of protection from a public sector source has increased to 2.36 million; 5) a total of 100 LGUs have ever been enrolled in the LPP; 6) a total of 75 LPP-LGUs have achieved the LPP annual benchmarks for the

FP/MCH program; and, 7) a total of 60 LPP-LGUs are expending 20% of the Social Development Fund for "Human Ecological Security" activities in accordance with Presidential Memorandum dated June 17, 1995 and at least 15% of these funds are expended for FP/MCH/Population/Nutrition activities.

C. Result 2: National Systems Strengthened to Promote and Support the FP/MCH Program. By December 1998, the following benchmarks are to be met: 1) DOH staff have completed on-the-job training and have assumed partial responsibilities for the support functions; contractual staff have been absorbed into plantilla positions, as appropriate; 2) the 1998 DOH budget allocated for the Family Planning Services is 50% greater than the agreed to 1997 budget (i.e., increases from ₱37.6 million in 1997 to ₱56.5 million in 1998); 3) all LPP-LGUs that have met their benchmarks have been provided an LPP grant annually for FP/MCH services; 4) 50 LPP-LGUs have a competency-based training system utilizing the enriched integrated FP/RH competency-based curriculum.

D. Result 3: Increased Private Sector Provision of Contraceptives and FP/MCH Services. By December 1998, 32% of family planning services is provided by the private sector.

VII. MONITORING, EVALUATION AND AUDITS

Two external evaluations are scheduled for the program: a)

mid-term assessments of progress planned for the second quarter of FY 1998, and b) a final impact evaluation scheduled for the last quarter prior to the completion date of the Program. After the mid-term assessments, the DOH and USAID will make any mid-course corrections deemed necessary to improve the effectiveness and efficiency of the program. The final impact evaluation will focus on the institutional, operational and demographic impact of the Program.

In addition, to obtain annual feed-back on a selected number of FP performance measures, a national family planning rider survey will be undertaken by the National Statistics Office with assistance from the U.S. Bureau of the Census in 1995, 1996, 1997, 1999 and 2000. In 1998, the National Demographic Survey will be conducted with assistance from the USAID/Washington Demographic and Health Survey project. This survey will provide extensive data on family planning, population and maternal and child health indicators which can be used in the impact evaluation.

Financial audits of the activities will be conducted in accordance with standard procedures contained in Annex 2 of this Agreement. In addition, there will be periodic "performance audits" based on a range of indicators to measure progress in achieving the strategic objective.

With respect to all subrecipients receiving funds directly from USAID under the Agreement, such as direct U.S.A.I.D. contractors or direct U.S.A.I.D. NGO grantees, in lieu of an

audit plan provided under subsection (e) of Section B5 in Annex 2, the USAID agreement with these entities will contain appropriate audit requirements (including audit thresholds) for these funds and funding for such audits from Agreement funds where appropriate.

The Grantee will maintain books and records under this Agreement, including books and records concerning its contribution under this Agreement, in accordance with generally accepted accounting procedures prevailing in the Philippines.

Attachment 1

Integrated Family Planning Maternal Health Program
Financial Plan: Part I
(In US\$000)

Component	Current Total Life of Program USAID Funding	G.O.P. Contribution	Additional USAID Funding	Additional G.O.P. Contribution	Revised Total USAID Funding	Revised Total G.O.P. Contribution
1. Result 1 (LGU Performance Program)						
A. Performance-Based Program	23,240	17,575	6,000	6,000	29,240	23,575
B. Program Management	5,400	0	2,000	0	7,400	0
2. Result 2 (National Services)	11,360	1,773	3,000	0	14,360	1,773
3. Result 3 (Private Sector and NGOs)	9,400	0	3,500	0	12,900	0
4. Evaluation and Audit	600	652	500	0	1,100	652
TOTAL	50,000	20,000	15,000	6,000	65,000	26,000

**Integrated Family Planning Maternal Health Program
Financial Plan: Part II
(In US\$000)**

Component	Obligations prior to this Amendment No. 6	Obligation under Amendment No. 6	Obligation Status after Amendment No. 6	Anticipated Future Year Obligations by USAID	Total Life of Program Obligations by USAID	G.O.P. Contribution
1. Result 1 (LGU Performance Program)						
A. Performance-Based Program	14,584	2,701	17,285	11,955	29,240	23,575
B. Program Management	5,400	0	5,400	2,000	7,400	0
2. Result 2 (National Services)	8,772	3,970	12,742	1,618	14,360	1,773
3. Result 3 (Private Sector and NGOs)	9,400	0	9,400	3,500	12,900	0
4. Evaluation and Audit	400	0	400	700	1,100	652
TOTAL	38,556	6,671	45,227	19,773	65,000	26,000*

* This includes \$3,298,000 in cash expenditures to cover estimated VAT, including E-vat, charges on USAID-financed goods and services pursuant to Section 3.2(b) of this Agreement. The peso equivalent of the required GOP contribution will be determined based on an exchange rate of \$1:₱25.

INDICATORS

- Pop. Growth Rate - 2.35 (1990) to 1.93 (2000)
- Total Fertility Rate - 4.1 (1991) to 3.1 (2000)
- Infant Mortality Rate - 57 (1990) to 49 (2000)
- Maternal Mortality Ratio - 209 (1990) to 190 (2000)

STRATEGIC OBJECTIVE #3

Reduced Population Growth Rate and Improved Maternal and Child Health

INDICATORS (Cont.)

Attachment 2

- Contraceptive Prevalence Rate (all methods) - 40.0% (1993) to 50.5% (2000)
- Contraceptive Prevalence Rate (modern methods) - 25.2% (1993) to 35.7% (2000)
- Percent of births in high risk groups - 62.4% (1993) to 56% (2000)

Intermediate Result 1

Increased public sector provision of FP/MCH services

INDICATORS

- Percent of Children Fully Immunized - 90% (1993) to 90% (2000)
- Percent of Women Immunized Against Tetanus - 42.2% (1993) to 80% (2000)
- Percent of children receiving vitamin A capsule supplement: 90% (1993) to 90% (1998).
- Modern method couple years of protection (CYP) from a public sector source - 1.67 million (1994) to 2.60 million (2000)
- Aggregate no. of LGUs ever enrolled in LPP - 20 (1994) to 100 (1998)
- Aggregate no. of LGUs that have achieved the LPP annual benchmarks - 20 (1994) to 75 (1998)
- FP/MCH sustainability enhanced by the aggregate no. of LPP LGUs that are expending IRA funds in accordance with Presidential Memorandum dated June 17, 1995 for "Human Ecological Security" with an increasing amount of these funds expended for FP/MCH/POP/nutrition - 41 LGUs/10% (1997) to 75 LGUs/25% (2000).

Activities

1. LGU integrated teams develop annual plans and budgets for FP/MCH/Population activities.
Benchmark: Not less than 75 LGUs have developed comprehensive annual plans and budgets for FP/MCH/Pop programs by December 1998
2. LGUs expand FP/MCH service delivery.
Benchmarks: 1) All LPP LGUs will provide all reversible program methods at appropriate service facilities: 41 (1997) to 75 (2000); 2) No. of LPP LGUs meeting the annual FIC targets set by DOH: 41 (1997) to 75 (2000); 3) No. of LPP LGUs meeting the TT targets set by DOH: 41 (1997) to 75 (2000); 4) No. of LPP LGUs meeting DOH annual VAC supplementation targets: 60 (1997) to 75 (1998); 5) No. of LGUs where voluntary sterilization services are available: 53 (1997) to 75 (2000); 6) No. of LPP LGUs that have implemented the DOH-approved IEC annual plan: 41 (1997) to 75 (2000).
3. LGUs improve the quality of FP services.
Benchmark: Percent of LPP LGU public sector service sites that have personnel trained in basic FP/Compre FP or integrated FP/RH: 60% (1997) to 80% (2000).

Intermediate Result 2

National systems strengthened to promote and support the FP/MCH program

INDICATORS

- PFPP sustainability enhanced by DOH assuming full operational responsibility for the following support functions: contraceptive distribution and logistics mgt.; FP/IEC; training; research and evaluation; service delivery technical support; and program monitoring - 10% (1996) to 100% (1999)
- PFPP sustainability enhanced by increased allocation of budget for Family Planning Service by at least 50% per year: P25.1M (1996) to P127.1M (2000)
- DOH release of annual LPP grants for LGU programs by June of the following year: 0 (1994) to 75 (1999)
- Updated National PFPP strategy reviewed and jointly approved by DOH and POPCOM Board by November 1996.
- Quality of FP/RH services improved through establishment of competency-based training system in LGUs participating in LPP: 0 LGUs (1993) to 75 LGUs (1999)

Activities

1. Nationwide contraceptive distribution system strengthened
Benchmarks: 1) DOH assumes full responsibility for FP contraceptive logistics management for the PFPP by the end of 1998; 2) 80% of FP clinics (delivery sites) maintain at least a one-month supply of oral contraceptives and condoms by the second quarter of 1999.
2. FP IEC program strengthened in DOH.
Benchmarks: 1) Revised communications strategy focusing on LGUs produced and approved by June 1996; 2) National communications programs executed on a yearly basis.
3. National FP training program strengthened.
Benchmarks: 1) By Sept 1996, DOH will have developed and approved a training strategy for 1996 - 1999; 2) By June 1997, DOH will have initiated implementation of revised Basic FP/RH curriculum using a competency-based teaching approach; 3) By Dec 1997, enriched, integ FP/reproductive health curriculum for midwifery developed and implemented in 90% of midwifery schools; 4) By Dec 1997, enriched, integrated FP/reproductive health curriculum for nursing developed and implemented in 90% of nursing schools.
4. Research and technical support programs strengthened at the national level.
Benchmarks: 1) National FP/MCH guidelines and service standards/protocols reviewed, updated and disseminated by Dec 1996; 2) 30 LPP/LGUs have developed capacity to manage and utilize OR studies on service delivery issues by Dec 1999; 3) 6 OR studies on cross-cutting issues conducted and their results disseminated by December 1999; 4) DOH will develop a system by April 1996 and implement the system by June 1996 for FP/MCH assistance to LGUs.
5. National program monitoring system strengthened
Benchmarks: 1) Yearly population-based FP survey conducted by NSO; 2) Yearly National FP/MCH Status Report produced by DOH/OPHS; 3) A national management information system to monitor FP/MCH performance in place by 1998.
6. PFPP advocacy program strengthened at POPCOM.
Benchmarks: 1) National pop and devt. advocacy plan (1996-2000) developed and implemented, including advocacy for PFPP among professional assns.; 2) 1995 and 1998 post-election surveys conducted to measure commitment to PFPP at the LGU level; 3) No. of professional assns. supporting FP increased from 1 (1993) to 7 (1999).

Intermediate Result 3

Increased private sector provision of contraceptives and FP/MCH services

INDICATORS

- Percent of family planning services provided by the private sector - 27% (1993) to 34% (2000)

Activities

1. Contraceptive social marketing (CSM) program expanded.
Benchmarks: 1) CSM implemented in 33 urban areas by December 1999; 2) Annual CYPs provided by current CSM project expanded from 28,837 in 1993 to at least 212,306 in Oct 1998.
2. The provision of FP services in private/NGO hospitals and clinics expanded.
Benchmarks: 1) 135 industry-based clinics have Responsible Parenthood-MCH programs by December 1999; 2) Between January 1997 and December 1999, USAID-assisted NGO-affiliated services (PCPD, JSI, CARE) will provide at least 601,171 CYPs (cumulative), including CYPs for completed referrals.
3. The role of the private sector on the PFPP enhanced.
Benchmarks: 1) Situational analysis on the involvement of the private commercial sector in FP services developed by June 1996; 2) Studies conducted on factors that affect private sector participation including market segmentation, legal and regulatory issues, and the feasibility of re-targeting public sector facilities on low income and underserved areas; 3) At least 2 policy reforms identified in the studies are adopted by December 1998.

DATA BASELINES

- Demographic Health Surveys 5 yrs.
- Safe Motherhood Surveys 5 yrs.
- Annual Population Surveys 1 yr.
- Population Census 10 yrs.
- Intercensal Surveys 5 yrs.